

RAYSCLIFF FLAT MANAGEMENT LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 2005

The directors present their report and the financial statements for the year ended 31 May 2005.

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal Activity

The company's principal activity continues to be the management of Rayscliff, West Cliff Road, Bournemouth.

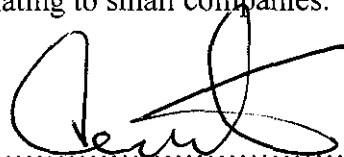
Directors

The directors at 31 May 2005 and their interest in the share capital of the company were as follows:-

	At 31 May 2005	At 1 June 2004 or subsequent date of appointment
	Ordinary Shares	Ordinary Shares
A C Nicholson – to 21.8.04	-	-
A E Filer – from 21.8.04	1	1

Small Company Rules

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies. It was approved by the board on 16 June 2005 and signed on its behalf.



R Martin
Secretary



RAYSCLIFF FLAT MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2005

	<u>2005</u>	<u>2004</u>
Turnover	15,197	15,075
Administrative Expenses	18,632	11,896
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	(3,435)	3,179
Interest receivable	489	297
	<hr/>	<hr/>
(Loss)/Profit on Ordinary Activities Before Taxation	(2,946)	3,476
Taxation	55	123
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(Loss)/Profit on Ordinary Activities After Taxation	(3,001)	3,353
Retained Profit Brought Forward	13,133	9,780
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Retained Profit Carried forward	£10,132	£13,133
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Notes

1. Accounting Policies

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

a) Turnover comprises the amounts receivable for the year.

b) Freehold property is stated at cost including legal fees.

WAYSCLIFF FLAT MANAGEMENT LIMITED

BALANCE SHEET

AS AT 31 MAY 2005

	<u>2005</u>	<u>2004</u>
FIXED ASSETS		
Freehold Property - at cost	6,613	6,613
CURRENT ASSETS		
Prepayments	917	875
Cash at Bank and in Hand	16,583	17,042
	<hr/>	<hr/>
	17,500	17,917
	<hr/>	<hr/>
CREDITORS: Amounts falling due within one year		
Sundry Creditors	409	230
Taxation	-	42
Accruals	1,808	1,489
Receipts in Advance	5,123	2,995
	<hr/>	<hr/>
	7,340	4,756
	<hr/>	<hr/>
NET CURRENT ASSETS	10,160	13,161
	<hr/>	<hr/>
NET ASSETS	£16,773	£19,774
	<hr/>	<hr/>
Represented by:-		
Share Capital		
Authorised - Ordinary Shares of £1 each	28	28
	<hr/>	<hr/>
Allotted, Called-up and Fully Paid Ordinary Shares of £1 each	28	28
Capital Reserve - contributions from members for purchase of freehold	6,613	6,613
Profit and Loss Account	10,132	13,133
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	£16,773	£19,774
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Continued

RAYSCLIFF FLAT MANAGEMENT LIMITED

BALANCE SHEET - (Continued)

**Directors' Statements required by Section 249B(4)
for the Year ended 31 May 2005**

In approving these financial statements as directors of the company we hereby confirm:

- (a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;
- (b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 May 2005 and
- (c) that we acknowledge our responsibilities for;
 - (1) ensuring that the company keeps accounting records which comply with Section 221, and
 - (2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 16 June 2005 and signed on its behalf by:-

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A E Filer
Director